

## REPORT SUMMARY

### Department of Environmental Quality

We performed a financial-compliance audit of the Department of Environmental Quality (department) for the two fiscal years ended June 30, 2008. We issued an unqualified opinion on the financial schedules contained in this report. The reader may rely on the financial information presented in the financial schedules and the supporting data on the state's accounting system.

This report contains two recommendations where the department could improve compliance with the federal regulations and state law and accounting policy. The previous audit report contained two recommendations. The department implemented one recommendation and partially implemented one recommendation.

The listing below serves as a means of summarizing the recommendations contained in the report, the department's response thereto, and a reference to the supporting comments.

#### Recommendation #1

We recommend the department, in conjunction with the Department of Natural Resources and Conservation:

- A. Establish and document control procedures appropriate to prevent, or detect and correct on a timely basis, material misstatements occurring on the accounting records and in preparation of the Drinking Water and Water Pollution Control State Revolving Fund Loan Programs' financial statements.
- B. Establish and document control procedures appropriate to ensure compliance with federal suspension and debarment requirements. ....7

Department Response: Concur ..... B-4

#### Recommendation #2

We recommend the department, in conjunction with the Department of Natural Resources and Conservation, establish procedures to ensure financial transactions in shared accounts are recorded in accordance with state law and accounting policy.....9

Department Response: Concur ..... B-4